

**INFORMATION FOR THE
BRIAN HEAD TOWN/BRIAN HEAD RESORT
INTERCONNECT PROJECT
August 2006**

1. What is the Interconnect Project?

The Interconnect Project will consist of a new chair lift to replace the historic chair lift #1 (removed from service in 1992) that crosses over Highway 143, and a second new chair lift that extends from the base of the new chair lift #1 on the east side of Highway 143 to a point near the top of Giant Steps Mountain. A new high-speed detachable chair lift will also be installed to replace the existing chair lift #2 at Giant Steps. The Interconnect lift system will expand the existing ski terrain by over 33%, and allow skiers of all abilities to circulate freely between both base areas without removing their skis. Importantly, the Interconnect Project will also significantly enhance ski access to a majority of the area's lodging units, thereby reducing automobile traffic and parking congestion in and around the Town of Brian Head.

The Interconnect Project will also include a new multi-use (skier/pedestrian/bicycle/OHV) bridge over Highway 143. The new bridge will be located directly under the new chair lift #1, and will provide access over Highway 143 during the winter months for skiers and other recreational traffic traveling between the base areas of the new chair lift #1 and chair lift #8. During the summer months, the bridge will be utilized as part of the Town's extensive trail system, and provide safe and convenient access over the highway for hikers, bikers, ATVs, and other pedestrians.

As part of the Interconnect Project, a portion of Vasels Road will be removed where it crosses the meadow from Highway 143 to a point near the Evergreen Condominiums, returning the meadow to its natural state. Vasels Road will be realigned and connected to Brian Head Blvd. near the fire station at a point south of the Evergreen Condominiums.

2. What is the history of the Interconnect Project and who is involved?

Brian Head Town and Brian Head Resort have negotiated for and anticipated this project for many years. These negotiations identified that the Resort would be solely responsible for the cost and construction of the ski lifts, ski trails, and snowmaking system, and that the Town would be solely responsible for the cost of the bridge and necessary trail and road improvements.

An important part of the project's success was dependent upon obtaining the necessary land to accommodate the installation of chair lift #8 and the associated ski trails. This portion of the project was successfully completed this spring with the combined effort of the Resort, the Town and the Vasels family, who were the owners of the necessary land.

The Resort and the Town are now finalizing negotiations for the Interconnect Project.

3. How much will the Interconnect Project cost?

The Resort currently estimates that its total cost for the three new chair lifts, new ski trails, and additional snowmaking will be up to approximately \$8 million.

The Town identified \$900,000 for the Interconnect Project in 2004 when a bond was passed by the voters (see #5 below for further explanation). The Town is currently consulting with professional engineers to develop an updated estimate for the cost of the bridge and the road construction. This information will be added to this website as soon as it becomes available.

4. Who would pay for the maintenance costs of the bridge?

The proposed agreement between the Town and the Resort stipulates that the Town will own the bridge and be responsible for all maintenance, repair, and replacement costs. The Resort will maintain the snow surface and operate the bridge for ski purposes during the ski season.

5. How would the Town finance its portion of the Interconnect Project?

The Town held a special election on May 4, 2004 to issue General Obligation bonds for “for the purpose of financing all or a portion of ...an interconnect bridge...(and) refunding a portion of the Town’s outstanding revenue bonds”. Nine hundred thousand dollars (\$900,000) of the bond issue was identified for bridge construction, land acquisition, trails, and removal of Vasels Road. The bond election passed with 24 votes for and 16 votes against.

The voter information pamphlet distributed prior to the 2004 bond election indicated that an annual property tax increase on \$180,000 of primary residential property would be \$43.42, and \$78.95 on \$180,000 of commercial or second residential property. These amounts have not since been updated.

The Town has not issued the bonds identified for the Interconnect Project, so the current Town Council will need to determine how much involvement the Town will have with the project. Should the Town Council determine to proceed with the Interconnect Project, they will then need to (i) vote to issue the \$900,000 in previously approved bonds, and (ii) identify an appropriate source to finance any bridge/road construction costs in excess of \$900,000.

The Town Council has directed the staff to research available sources to finance its portion of the Interconnect Project such as increased sales and property tax revenue, etc. The Resort recently prepared and provided projections to the Town indicating that additional sales taxes to the Town generated by the anticipated growth in skier visitation spurred by the ski area expansion and associated improvements will contribute substantially to financing the cost of the Town’s portion of the Interconnect Project.

The Resort’s projections indicate that the growth in skier visitation (both from new visitors to the area and from additional visits by existing customers) will produce additional sales taxes to the Town over a fifteen-year period (the assumed term of any

new bond issuance) of approximately \$2.5 million. The Resort points out that its projections do not include any additional property taxes to be collected by the Town from the anticipated additional development (including the Resort's own planned developments) stimulated by the Interconnect Project.

6. Who will be allowed to use the bridge?

The Resort has requested exclusive rights to use the bridge from October 15 to April 30 of each year for operational, safety and liability reasons. For the remainder of the year, the bridge will be available for public access to pedestrian, non-motorized, and motorized travel. Although due to safety reasons snowmobiles will not be allowed to use the bridge during the ski season, the bridge will be designed to accommodate snowmobile traffic under the bridge adjacent to Highway 143.

7. What does the Interconnect Project look like?

While the exact design has not yet been finalized, a conceptual rendering is available on this website.

8. How will the Interconnect Project impact the future economic growth of Brian Head?

The Interconnect Project will enhance and expand the recreation experience in Brian Head. This in turn is expected to attract additional visitors to Town resulting in associated financial benefits such as a growth in the retail and lodging markets, as well as securing and potentially increasing property values.

9. Are there options other than a bridge?

The Resort has expended considerable time and money researching the best method to accomplish the goal of interconnecting and expanding the two recreational areas in Town. It was determined that a bridge is less expensive than constructing a tunnel crossing under Highway 143, so plans have focused on a bridge. Part of this process included an environmental assessment by the US Forest Service, and subsequent approval from that agency of the Interconnect Plan including the bridge. Deviations from this plan could result in additional studies that would most likely cause significant delays in completing the Interconnect Project.

10. How can I have public input relating to this project?

The Town Council will receive public comment at 2:00 p.m. MST at a meeting being held on September 12, 2006 at the Brian Head Town Hall.

Your comments can also be:

Faxed to 435-677-3661,

E-mailed to brianheadtown@netutah.com, or

Mailed to P.O. Box 190068, Brian Head, UT 84719

to be received no later than September 7, 2006.